

EVERGREEN SCHOOL DISTRICT NO. 114
Clark County, Washington
September 1, 1992 Through August 31, 1993

Schedule Of Findings

1. The District Should Improve Employee Contract Administration And Keep Documents Verifying That Services Paid For Were Actually Worked

Our tests of the district's compliance with state laws regarding employee supplemental contracts and other compensation indicate some problems in contract administration and payroll system controls. The district estimates that its 966 full-time equivalent certificated employees had 1,260 supplemental contracts, totaling at least \$2,366,000 during the 1993 school year. We tested 16 of the supplemental contracts and found the following problems:

| | Basic Contract Days | Basic Contract Payments | Suppl. Contract Payments | | Other Payments | | Salary Step Increase | Leave Buy-Back & Misc. Deducts | Total Payments |
|---------------------------|---------------------------|-------------------------------|--------------------------------|----|-------------------|---|----------------------------|---|-------------------|
| <u>Certificated Staff</u> | | | | | | | | | |
| Resource Facilitator | 180 | \$34,465 | \$7,228 | ab | \$1,807 | c | \$ 6,192 | \$ 190 | \$49,882 |
| Math Teacher) JHS | 180 | 44,942 | | | 8,065 | c | | 111 | 53,118 |
| Agric Teacher) HS | 180 | 44,942 | 9,175 | ab | 1,748 | c | | 939 | 56,804 |
| Resource Facilitator | 180 | 44,942 | 7,990 | ab | 1,748 | c | | 190 | 54,870 |
| Principal) JHS | 213 | 64,761 | | | 6,072 | c | | | 70,833 |
| Math/PE Teacher) JHS | 180 | 40,429 | 9,297 | b | 6,464 | c | | (277) | 55,914 |
| Resource Facilitator | 220 | 54,216 | | | 1,419 | c | | | 55,635 |
| PE Teacher) HS | 144 | 26,728 | 7,037 | b | 1,857 | c | 844 | 190 | 36,656 |
| Teacher) Elementary | 180 | 32,739 | 1,085 | b | 2,055 | c | | (136) | 35,743 |
| Bus Ed Teacher) HS | 180 | 42,394 | 8,645 | b | 4,185 | c | | (124) | 59,810 |
| | | | 4,710 | b | | | | | |
| Resource Facilitator | 180 | 43,032 | 2,496 | b | 1,498 | c | 1,910 | | 53,930 |
| | | | 4,994 | b | | | | | |
| Chem Teacher) HS | 180 | 34,465 | 3,505 | b | 1,658 | c | 2,508 | (83) | 42,053 |
| Adaptive PE) JHS | 180 | 38,198 | 2,217 | b | 678 | c | 2,459 | (165) | 51,518 |
| | | | 8,831 | ab | | | | | |
| ESL Dept Supervisor | 180 | 29,359 | 2,459 | | 3,589 | c | 13,673 | 110 | 49,190 |
| Nurse Serv Coordinator | 144 | 34,002 | 2,223 | b | 1,920 | c | | (97) | 38,048 |

- a. **Supplemental Contracts Not Specific)** Supplemental contracts requiring payment for extra days or duties were not specific enough for performance to be measurable.
- b. **Documentation Not Sufficient)** Documentation proving that additional services were actually performed or days were worked was either inadequate or nonexistent.
- c. **Supplemental Contracts Not Adequate)** Documents used to contract for additional services were either nonexistent or inadequate. In nearly all cases, they were merely a record of the services paid by the district.

RCW 28A.405.210 states:

No teacher, principal, supervisor, superintendent, or other certificated employee, holding a position as such with a school district . . . shall be employed except by written order of a majority of the directors of the district at a regular or special meeting thereof . . . (Emphasis ours.)

Regarding backup documentation to verify that the additional services were actually performed, RCW 43.09.200 states:

The state auditor . . . shall formulate, prescribe and install a system of accounting and reporting . . . The accounts shall show . . . all receipts, vouchers, and other documents . . . necessary to isolate and prove the validity of every transaction . . . (Emphasis ours.)

State law addresses supplemental contracts and is covered in RCW 28A.400.200(4), which states:

Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, additional responsibilities or incentives . . . No district may enter into a supplemental contract under this subsection for the provision of services which are a part of the basic education program required by Article IX, Section 3 of the state constitution. (Emphasis ours.)

Additional pay from supplemental contracts cannot be considered bonuses. Supplemental contracts must be specifically for additional time, responsibilities, or incentives. Many of the supplemental contracts were simply entitled ". . . Extended Day . . ." or ". . . Extended Year . . ." with no clear description of the additional duties or responsibilities. Further, the district's payroll department routinely pays supplemental contracts without adequate documentation to support that the additional work was performed. This is considered a weakness in the contract and payroll systems and could result in compensation being paid without services provided.

We recommend the district improve contract administration and payroll systems over certificated employees as follows:

- a. Employ certificated personnel for additional time or effort only by separate, written supplemental contract.
- b. Specifically identify what additional services are required by the supplemental contracts so that performance can be measured.
- c. Pay only the amount covered by such contracts, based on documentation that the services were actually performed.

2. The District Should Report Staff Mix Data Correctly And Maintain Adequate Documentation To Support Reports

School districts are required to annually report to the Superintendent of Public Instruction (SPI), the academic credits and years of experience of its certificated staff. SPI uses this information in its determination of the amount of school apportionment funds due the district.

To ensure that amounts reported are accurate, WAC 392-121-280 requires in part:

School districts shall have documentation on file and available for review which substantiates each certificated employee's placement on LEAP Document 1.

- (1) Districts shall document the date of awarding or conferring of the degree. Documentation shall include date upon which the degree was awarded or conferred as recorded on the diploma or official transcript . . .
- (3) Districts shall document years of experience that are eligible for application on the state-wide salary allocation schedule and on LEAP Document 1. Documentation for years of experience shall be on letters or any other documents that provides evidence of employment including dates of employment.

To test the accuracy of the academic credits and experience reported to SPI, we reviewed 12 certificated employee files. We found many files did not contain adequate support for the credits and work experience reported. In some cases, credits and experience reported were not documented in the employee's files or did not agree with amounts reported. In other cases, ineligible work experience was included in the figures reported. In addition, we found errors in reported assignment codes including improperly reporting five district administrators as teachers.

When the district submits erroneous staff mix reports to SPI, the district's apportionment may be incorrect.

These errors occurred because the district's personnel department did not recently verify the employee files, nor review the accuracy of information reported to SPI.

We recommend district officials enhance their review of certificated employee personnel files and obtain any needed documentation to verify and support staff credits earned and years of experience reported to SPI.

3. The District Should More Carefully Verify The Accuracy Of Information Used In Placing Employees On The Salary Schedule

We tested the accuracy of salary schedule placement for 12 district teachers. In four cases, we found that the individuals were receiving higher salaries than was supported by documentation in their files. In one case, none of the teachers credits or years of experience were documented, and we, therefore, could not tell whether her placement was appropriate.

WAC 392-121-220 through .280 provide guidance for placement of certificated educational staff on the state-wide salary schedule.

The negotiated agreement between the district and the Evergreen Education Association (EEA) also provides guidance for placement of certificated educational staff on the district's salary schedule.

It appears that the district did not consistently follow either of the approved established guidelines, which resulted in improper payments during 1993.

For employees tested, erroneous payments totalled \$19,141. We did not estimate the total erroneous payments made to all employees during 1993.

We recommend the district enhance its review of the files of certificated employees for 1993 to determine their proper placement on the district salary schedule. Pay adjustments can then be made to individual employees. Further, we recommend the district improve its system of updating and reviewing salary schedule placement to ensure employees are correctly paid.